



State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

MEMORANDUM

TO: All Medicaid Providers

FROM: Ruth Kennedy
Medicaid Director

SUBJECT: SFY 2013 Reimbursement Rate Reductions

DATE: July 23, 2012

In order to avoid a SFY 2013 budget deficit in the Medicaid Program, the Department of Health and Hospitals (DHH) has reduced reimbursement rates for various Medicaid services with dates of service on or after July 1, 2012. Emergency Rules on the reductions will be published in the July 20, 2012 edition of the *Louisiana Register*. For details, see the *Emergency Rule* section of the July 2012 *Louisiana Register* at <http://www.doa.louisiana.gov/osr/reg/register.htm>.

While the rate changes are effective July 1st, it will take some time—potentially as long as a couple of months—before the necessary system configuration changes to reflect the new rates have been completed by Molina, Amerigroup, LaCare, Louisiana Healthcare Connections and Magellan. Providers can anticipate that, once the configuration changes have been completed, claims for dates of service 7/1/12 and after will be systematically adjusted.

A brief summary of the reimbursement rate reductions follows. This summary updates and makes obsolete any and all previously issued summaries.

Bayou Health

- Prepaid Plans – Per Member Per Month premiums reduced by 3.7 percent
- Shared Savings Plans
 - Monthly Management Fees reduced by 3.7 percent (from \$18.16 to **\$17.49** and from \$11.81 to **\$11.37**)
 - Pass through payment of \$1.50 intended for primary care providers PCPs has been **eliminated** with termination of CommunityCARE on June 1, 2012.

SFY 2013 Reimbursement Rate Reductions
Louisiana Medicaid

Behavioral Health Services

- Monthly capitated payment for adult services coordinated through the Statewide Management Organization reduced by 1.927 percent
- Reimbursement rates for therapeutic services, rehabilitation services, and crisis intervention services to children reduced by 1.44 percent

Dental Services – Reimbursement rates reduced to between 45 and 65 percent of the 2009 National Dental Advisory Service Comprehensive Fee Report 70th percentile

Durable Medical Equipment – Reimbursement rates, fee schedule and manually priced, reduced by 3.7 percent

Emergency Ambulance Services – Reimbursement rates for ground and air transportation reduced by 5.25 percent

End Stage Renal Disease Facilities – Reimbursement rates reduced by 3.7 percent

Family Planning Services

- Reimbursement rates for family planning services covered under the State Plan rates in the Professional Services program reduced by 3.7 percent
- Reimbursement rates for family planning clinic services reduced to equal family planning services covered under the State Plan rates in the Professional Services program
- Reimbursement rates for family planning waiver services reduced to equal family planning services covered under the State Plan in the Professional Services program

Home and Community-Based Service Waivers

- Adult Day Health Care – Reimbursement rates reduced by 1.5 percent
- Children's Choice – Service cap reduced to \$16,410 per individual per plan of care year effective August 1, 2012
- Community Choices – Reimbursement rates reduced by 1.5 percent
- New Opportunities – Reimbursement rates reduced by 1.5 percent, except for environmental accessibility adaptations; specialized medical equipment and supplies; personal emergency response systems; one-time transitional expenses; and individualized and family support services-shared day; and individualized and family support services-night
- Residential Options – Reimbursement rates reduced by 1.5 percent, except for personal emergency response services; environmental accessibility adaptation services; specialized medical equipment and supplies; and transitional services
- Supports Waiver – Reimbursement rates reduces by 1.5, except for personal emergency response system services

SFY 2013 Reimbursement Rate Reductions
Louisiana Medicaid

Home Health – Reimbursement rates for intermittent and extended nursing services and home health aide services, reduced by 3.7 percent

Intermediate Care Facilities for Persons with Developmental Disabilities – Per diem rates reduced by 1.5 percent

Laboratory and Radiology Services – Reimbursement rates reduced by 3.7 percent

Long Term Personal Care Services – Reimbursement rates reduced by 1.5 percent

Non-State Nursing Facilities

- Average daily rates reduced by \$4.11 per day after the sunset of the state fiscal year (SFY) 2012 rebase and before the SFY 2013 rebase
- Average daily rates reduced by 1.15 percent per day after the sunset of the SFY 2012 rebase and after the SFY 2013 rebase

Pediatric Day Health Care – Reimbursement rates reduced by 3.7 percent

Physician Services

- Consult codes (99241-99245, 99251-99255) discontinued (no longer payable)
- Cesarean delivery rates (procedure codes 59514, 59515) reduced to equal corresponding vaginal delivery rates (59409, 59410)
- All other reimbursement rates for Professional Services Physician Services, including anesthesia services, reduced by 3.4 percent¹, with the following exception
 - Pursuant to the federal Department of Health and Human Services' proposed rule CMS-2370-P relative to the Affordable Care Act (ACA) and Medicaid payment, specific primary care procedures rendered by specific primary care providers are exempt from the July 1, 2012 Professional Services Physician Services rate reductions.
 - Exempt primary care procedures include those specified in the CMS proposed rule *and* currently payable under Louisiana Medicaid. The rule specifies E&M codes 99201 through 99499 and vaccine administration codes 90460, 90461, 90471, 90472, 90473 and 90474 or their successors. The Professional Services fee schedule in effect includes codes currently payable under Louisiana Medicaid.
 - Exempt primary care providers include Attending Providers enrolled in Louisiana Medicaid with a Provider Specialty of Family Practice (08), Pediatrics (37) or Internal Medicine (41).
 - Reimbursement rates for exempt procedure codes are listed in Column 14 (ACA Fee) of the Professional Services fee schedule in effect.

¹ The Emergency Rule reduced reimbursement rates for anesthesia services by 3.7 percent effective July 1, 2012; however, rates for anesthesia services were reduced 3.4 percent effective July 1, 2012 and the Emergency Rule was amended accordingly.

SFY 2013 Reimbursement Rate Reductions
Louisiana Medicaid

Program of All Inclusive Care for the Elderly (PACE) – Monthly capitated payment to PACE organizations reduced by 2 percent

Prosthetics and Orthotics – Reimbursement rates reduced by 3.7 percent, except for individually priced items that do not appear on the fee schedule

Substance Abuse Services – Reimbursement for outpatient services provided to children/adolescents reduced by 1.44 percent

Targeted Case Management – Reimbursement reduced by 1.5 percent, including Nurse Family Partnership Program, the Early and Periodic Screening, Diagnosis, and Treatment Program, HIV, and New Opportunities Waiver

For additional information, including global Remittance Advice on the reductions and updated fee schedules, see www.lamedicaid.com.

- For questions about Behavioral Health Services and Substance Abuse Services Reductions – Contact **Magellan Louisiana Provider Relations** at **(800)424-4396**.
- For questions about Home and Community Based Waiver Services for Children's Choice, New Opportunities Waiver, Residential Options Waiver and Supports Waiver; Intermediate Care Facilities; and Targeted Case Reductions – Contact the **Office for Citizens with Developmental Disabilities** at **(866) 783-5553**.
- For questions about Home and Community Based Waiver Services for Adult Day Health Care and Community Choices; PACE; and Long Term Personal Care Services Reductions– contact the **Office of Aging and Adult Services** at **(866) 758-5035**.
- For questions about all other Medicaid Rate Reductions – Contact the **Louisiana Medicaid Program Office** at **(225) 342-7878**.

This memo obsoletes any and all prior versions.